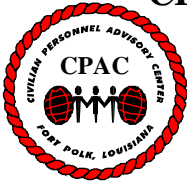




**JOINT READINESS TRAINING CENTER AND FORT POLK
CPAC, NON-APPROPRIATED FUND (NAF)
FORT POLK, LOUISIANA 71459-5341**



*"ARMY CIVILIAN PERSONNEL PROFESSIONALS--
HELPING LEADERS MEET THE MISSION"*



**NAF NEWS BULLETIN
NUMBER 6**

DECEMBER 2001

TAX TIME IS COMING

NAF Financial Services issued a memorandum dated 4 December 2001 which stated, in part:

Each year this office experiences a problem with Forms W-2 that are returned to us because of incorrect addresses.



It appears that the majority of Forms W-2 returned are for employees who are terminated during the year. These forms are mailed to the last known address ten days following processing of the termination action.

A review was conducted by NAF Financial Services and determined the following factors that are the usual causes:

1. Payroll Clerk does not enter last forwarding address or enters it incorrectly.
2. Termination document is not timely; in these cases employee's forwarding order with the post office has expired.
3. Personnel Office does not obtain a forwarding address from the terminating employee.

Action has been taken by NAF Financial Services to correct item 1; however employees and NAF Personnel must assist with items 2 and 3. If supervisors, managers, or administrative personnel are contacted by current or former employees concerning receipt of their Form W-2, please obtain a good mailing address and let us know as soon as possible.

NAF BENEFITS UPDATE

NAF Employee 401(K) savings plan changes for 2002

As previously announced in our NAF Employee Benefits Open Season Bulletin, there will be a number of changes to the NAF Employee 401(k) Savings Plan, effective 1 January 2002, as a result of passage of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA).

MAXIMUM DEFERRAL LIMIT INCREASED TO \$11,000



For calendar year 2002, the IRS maximum dollar limitation on employee contributions will increase from \$10,500 in 2001 to \$11,000 in 2002. Employees may want to review their contribution level to ensure they are maximizing their contributions. It is to the employee's advantage to spread their contribution over the 26 pay periods in the year to achieve the maximum contribution at the end of the year. If you attain the maximum prior to the end of the year, contributions will automatically stop, as will the employer match for the remainder of the year. To maximize your investment, divide \$11,000 by your annual salary and round down to the nearest whole percent. You should attempt to anticipate any cost of living increase or performance award. About mid-year, it would be wise to review your calculation and make any necessary adjustment to your contribution percentage, based on remaining salary, remaining pay periods, and the amount of the \$11,000 contribution limit still remaining.

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PERCENTAGE LIMIT ELIMINATED

In 2001, employee contributions were also limited to 22% of salary. The 22% limitation has been eliminated completely for 2002. You may now contribute any percentage of your salary you desire, up to the IRS annual maximum dollar limit discussed above.

LOAN PROGRAM CHANGES



Currently, 401(k) Plan participants are limited to a single loan, either a residential loan, which can be amortized over a period of 15 years, or a regular loan for any purpose, which can be amortized over a period of 5 years. Participants are required to repay any outstanding loan and wait 90 days in order to take out another loan. Effective, 1 January 2002, our 401(k) Plan will be amended to allow multiple loans, simultaneously. Plan participants will be allowed to have a residential loan and two general loans (total of 3 loans) at any given time. The only restriction imposed by the IRS is that no more than two loans may be obtained during a period of 12 consecutive months. IRS loan dollar limitations will remain in effect; that is, the total of all loans must be the lesser of \$50,000 or 50% of the vested account balance. There will be no 90 day waiting period between loans.

OVER-50 CATCH-UP CONTRIBUTIONS

The Economic Growth and Tax Relief Reconciliation Act (EGTRRA) permits 401(k) Plan participants over the age of 50 to make additional catch-up tax deferred contributions to their plans. Over 50 catch-up contributions are limited to \$1000 in 2002, so that over 50 participants may contribute a total of \$12,000, when the \$1000 catch-up limit is added to the IRS annual maximum contribution limit of \$11,000 in 2002. The provision of the law is optional for employers. Our intent is to make this benefit available to our employees who participate in the 401(k) Plan. However, at this point, there are a number of payroll system

programming challenges that will prevent immediate implementation. We will know about mid-year if the programming will be successful. We will advise all 401(k) Plan participants at that time if they will be able to make the additional over 50 catch-up contributions in 2002.

FINANCIAL ENGINES



In our Open Season brochure we announced a new benefit for 401(k) Savings Plan Participants. Starting in the very near future, Plan participants will be able to access FINANCIAL ENGINES through the NAF BENEFITS web site. Financial Engines is a groundbreaking financial planning and investment advice service, that will provide unbiased, personal and on-going fund recommendations for 401(k) Plan participants, as well as help, develop strategies to achieve financial security. The service is being offered without charge to all active NAF Employee 401(k) Plan participants. To access this service, all you need to do is click on the FINANCIAL ENGINES link in the 401(k) Section of NAFBENEFITS.com and follow the easy instructions. Watch for additional information, which will be distributed soon.



WE'VE BEEN ASKED

Q: Does my service with AF count for leave purposes?

A: Prior service as an appropriated fund employee is creditable only if the employee has moved from a DOD appropriated fund position to a NAF position without a break in service of more than 3 days.

Q: When applying for a job, can I ask for more pay than what is being offered?

A: Yes, if it is with pay banding (NF & CC) unless the pay being offered is already the highest amount they can offer in that pay plan & level.

Q: How much sick leave do I accrue every pay period?

A: If you are in a flex position, you do not accrue any sick leave. If you are in a regular position, you will accrue at the rate of 5% of the total hours in a pay status up to a maximum of 40 hours a week.

Q: When I separate from NAF will I get a lump-sum payment for my sick leave?

A: No. Under no circumstances is lump-sum payment authorized for accumulated sick leave when the employee is separated.

Q: If I did not use my spouse preference for my current NAF position, can I use it for another job with NAF at this installation.

A: Assuming you are eligible for spouse preference, the answer would be no, however if your current NAF position is a temporary position (not to exceed 1 year), you will still be eligible for spouse preference.

Q: I am in a NF position. When will I receive a pay increase?

A: NF pay increases are based on performance and budget.

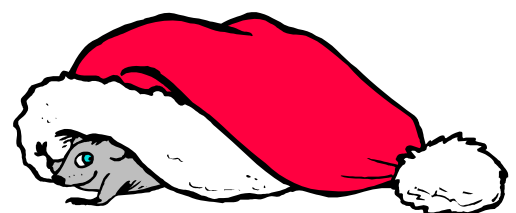


LEAVE (24 AND 25 DECEMBER 2001)

CIVILIAN EMPLOYEES PAID FROM NONAPPROPRIATED FUNDS:

All full-time and part-time civilian employees paid from nonappropriated funds who have a 5 day regularly scheduled work week with the tour of duty scheduled Monday through Friday and whose presence is not required to perform essential duties, will be excused from duty without loss of pay or charge to leave on **Monday and Tuesday, 24 - 25 December 2001**, and receive pay at their basic rate of compensation. However, in the case of regularly scheduled full-time or part-time employees who work at least five days per week and have an irregular tour of duty, the holiday will be the day of the regularly scheduled administrative work week that immediately precedes or immediately follows the legal holiday. Management may designate alternative days to be observed as the holiday when strict observance of the "day preceding or day following" rule would result in disruption to the NAFI. Those employees who are not excused from duty in accordance with the above guidelines will be entitled to premium pay.

A part-time employee with basic workweek of less than 5 days has no entitlement to holiday leave or premium pay when a holiday falls outside the basic workweek.



NAF PERSONNEL OFFICE HOLIDAY SCHEDULE

For the period 24 December 2001 through 2 January 2002, the NAF Personnel Office will observe the following work schedule:

| | |
|---|-------------------|
| 24 & 25 December 2001 | Closed |
| 26 th - 28 th December 2001 | Open |
| 1 January 2002 | Closed |
| 2 January 2002 | Business as usual |

Merry
Christmas

HOLIDAY SAFETY REMINDER

The Forces Command (FORSCOM) Commanding General issued a Holiday Safety message on 4 December 2001, which included the following:

“I encourage everyone to take time off to relax and to enjoy this holiday season - you have earned it. Your hard work this past year is what has kept our Army and Nation strong. As you celebrate this year, remember, don't let this holiday season be marred by the senseless death of anyone in the FORSCOM family. I challenge every leader to make this the safest holiday period in Forces Command history.”

We, in NAF Personnel would like to add our “AMEN” to this statement and ask that everyone please return in good condition for the work challenges of the new year.



ARTICLES FOR BULLETIN

If you have suggestions, topics or articles that you would like addressed in future bulletins, submit them to:

Civilian Personnel Advisory Center
NAF Branch
ATTN: Bill R. Chance
7041 Radio Road
Fort Polk, LA 71459

Or you can call 531-4955/6631. If at all possible, suggested topics will be addressed.

//ORIGINAL SIGNED//
DONALD R. MALLET
Director, Civilian Personnel
Advisory Center

